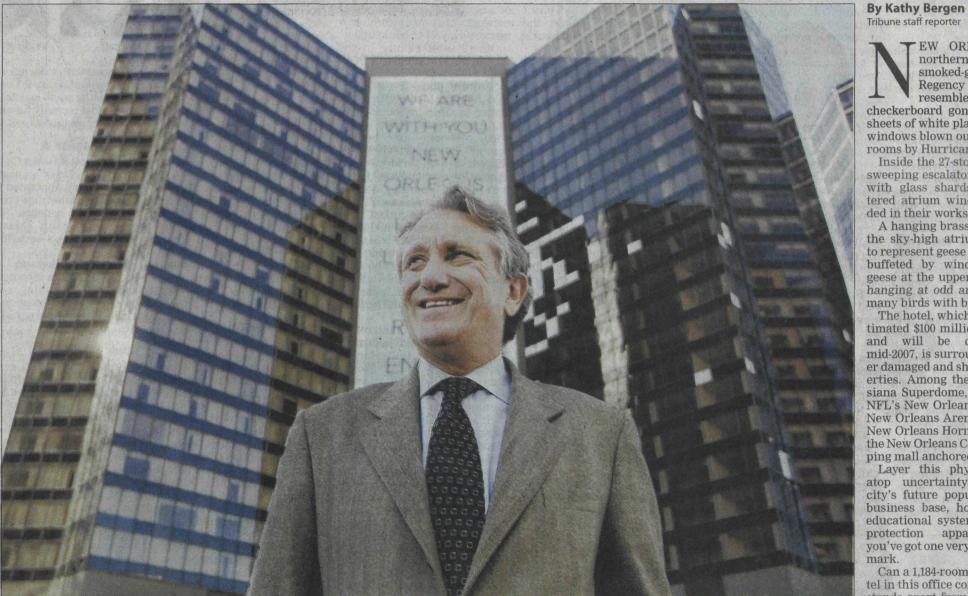
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Superbold, superlong shot

Owner of hurricane-ravaged Hyatt Regency New Orleans faces fight on grand plans for rebuilding hotel and surrounding area



EW ORLEANS-The northern wall of the smoked-glass Hyatt Regency New Orleans resembles a giant checkerboard gone awry, with sheets of white plastic covering windows blown out in some 600 rooms by Hurricane Katrina.

Inside the 27-story tower, the sweeping escalators stand still, with glass shards from shattered atrium windows embedded in their works.

A hanging brass sculpture in the sky-high atrium, designed to represent geese in flight, was buffeted by winds. Now the geese at the upper reaches are hanging at odd angles, like so many birds with broken wings.

The hotel, which needs an estimated \$100 million in repairs and will be closed until mid-2007, is surrounded by other damaged and shuttered properties. Among them: the Louisiana Superdome, home to the NFL's New Orleans Saints; the New Orleans Arena, where the New Orleans Hornets play; and the New Orleans Centre, a shopping mall anchored by Macy's.

Layer this physical pileup atop uncertainty about the city's future population level, business base, housing stock, educational system and floodprotection apparatus, and you've got one very big question

Can a 1.184-room business hotel in this office corridor, which stands apart from such tourist

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HOTEL: **Population** drain could stymie plans

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magnets as the French Quarter. the convention center, the riverfront and the Garden District, regain its stature as a critical component of the city's tourism

Attempting to answer this question is a charismatic native of London, who began his hospitality career as a 15-year-old high-school dropout cleaning hotel swimming pools and kitchens in exchange for room and board.

Now a youthful 58, Laurence Geller is founder and chief executive of Strategic Hotels & Resorts, the Chicago-based real estate investment trust that owns the New Orleans Hyatt and 15 other properties, with assets worth \$1.3 billion.

"If we're bold, we have a chance of winning big," said Geller, a close friend of Chicago's Pritzker family, whose Hyatt Hotels Corp. manages the

New Orleans property.

Taking inspiration from the redevelopment of Navy Pier and the creation of Millennium Park, the frenetic jazz aficionado is gunning for a public-private partnership to revive the entire neighborhood, which was lacking in nightlife and

tourist appeal even pre-Katrina.
Geller has assembled a formidable pool of talent to weigh various options, among them a hurricane museum, a jazz hall of fame and cultural center, New Orleans-style entertainment and retail, mixed-income housing and a transportation link to other tourist areas. A detailed proposal is expected early next year.

Whether he can sell it to the powers that be, who are mired in the task of salvaging an entire region, remains to be seen. Finding partners will be crucial, observers say.

Geller "makes great plans and follows through," said Ted Mandigo, an Elmhurst-based hotel we need to get shelter, we need to get the level consultant. "But it will take more than Laurence Geller to fixed . . . the education make the Superdome area rejuvenated.'

During a recent morning flight to New Orleans, where Geller planned to press the flesh in pursuit of his initiative, he acknowledged possible pot-

siveness, or the feds will find ev- my is about No. 4." ery excuse to say, 'Get your act ne said. "New Or ogether, leans is a city that can grab defeat straight from the jaws of victory.'

Undeterred, he is pressing forward, lobbying not only for the redevelopment but also for bringing in major events, perhaps a Democratic or Republican national convention in 2008.

"I do a good grovel," joked the Lincoln Park resident, biting into a piece of pastry during the chartered flight.

Still, it will be a battle to get on the radar screen.

"When we start prioritizing, we need to think about people first," said Joseph Canizaro, a real estate developer who is a member of the Bring New Orleans Back Commission formed by Mayor C. Ray Nagin.

"We need to get shelter, we need to get the levee fixed . . . the education system needs work



Photo for the Tribune by Chris Graythen

Hurricane Katrina blew out the windows of about 600 rooms at the Hyatt Regency New Orleans. The 27-story hotel has been shut down for repairs that will cost an estimated \$100 million.

we need to get the levee system needs work. The economy is about No. 4.

-Joseph Canizaro, member of Bring **New Orleans Back Commission**

'We need state and city cohe- too," Canizaro said. "The econo-

Tourism vital to economy

A lot is riding on the outcome of Geller's crusade, both for the city of New Orleans, which depends on the tourism industry as its top employer, and for Strategic Hotels.

The hotel has multiple very important niches it fills," said J. Stephen Perry, head of the New Orleans Convention & Visitors Bureau. As one of only four hotels with more than 1,000 rooms in the city, it has served as a convention hotel, a site for corporate and association meetings and a headquarters hotel for major sports events, such as the Super Bowl, and national political conventions.

"It truly has the potential, with the right vision, to be the leading corporate meetings headquarters for this part of the country," Perry said.

Pre-Katrina, the property was

worth an estimated \$200 million to \$250 million, Geller said. In the first half of the year, it was the company's top earnings producer, generating more than 15 percent of Strategic's earnings before interest, taxes, depreciation and amortization.

But the beige-and-taupe decor was dated and tired, and performance was slipping as newer remake had been scheduled to start in February.

Now there are questions whether the business core will be strong enough to continue support the Saints and the Hornets and to attract significant numbers of business travelers. As well, there are questions whether the population will rebuild sufficiently to support the neighboring New Orleans Centre retail mall.

area will revert to a secondary area where they roll up the carpets at night," said Geller. "If we want the hotel to succeed, we need a wider interest in the Brinkley of Tulane University; area."

This month, to express its commitment to the city, the Hyatt affixed a massive banner to its eastern face.

Perhaps fittingly, it was unveiled by the wind about a week before its planned debut. It reads: "We are with you New Orleans. Laissez les bons temps roulez encore.'

It will be a good long while before the good times roll again in this corner of the City that Care Forgot.

But toward that end, Geller has been talking up his neighborhood redevelopment plan with city, state and federal officials, all the way up to the White

'The advice from the White rivals cropped up. A \$40 million House downward was, "Talking remake had been scheduled to won't do it," "Geller said. "Everyone is talking. They all want The hurricane raised the bar. to feed at the government trough.

"One White House staffer said. 'Put money your mouth is. You need to be able to show something.'

Possible focus on jazz

And so Strategic is spending in the neighborhood of \$2 million to draw up a plan.

It also will draw on ideas from "If left to its own devices, this an 11-member advisory panel that includes architect Thom Mayne, winner of this year's prestigious Pritzker Architecture Prize; historian Douglas and Irvin Mayfield, the Grammy-nominated composer and jazz trumpeter who is the founder and artistic director of the New Orleans Jazz Orchestra. Mayfield's father, Irvin Sr., drowned during Katrina.

A centerpiece of the project may well be a jazz performance and exhibition space, perhaps in a portion of the now-closed

New Orleans Centre mall.

"Jazz is America's indigenous art form, and it was created in New Orleans," noted Mayfield, a protege of fellow New Orleans native Wynton Marsalis, who last week joined the panel.

The ideal would be something like New York's Lincoln Center, but the reality, given population levels, is more likely to resemble Cleveland's Rock and Roll Hall of Fame and Museum, said Geller, whose late father conducted the BBC Orchestra and the Royal Philharmonic.

"I'm a jazz lover and a jazz nut; it's a cause I passionately espouse," said Geller, who already has orchestrated one fundraiser for a jazz center.

Still, his motives in spear-heading a redevelopment plan are dual, he acknowledged.

"Altruism this isn't," he said. "I wouldn't spend the money if I didn't think it would help the hotel. But, also, I wouldn't spend it if I didn't think it would help the city too.'

Like many property owners in New Orleans, Strategic is waiting for a settlement with its insurers. Geller is optimistic the settlement will cover the \$100 million in damage and another \$100 million in business interruption costs.

Strategic Hotels officials believe the extent of the Hyatt's shellacking was largely attributable to a wind-tunnel effect created by the surrounding high-rises and the curved shape of the hotel's surface.

"It caused the wind to flurry around and debris to fly in a tor-nado-like effect," said Geller. "The debris did as much damage as the wind.'

And it didn't help that the building was built in the 1970s.
"It's an older building, and

the windows were tempered to a degree, but never to Hurricane 5 levels," Geller said.

Now, "we look at it as if we just bought a new property," he said. Generally, the company's strategy is to reposition a property, maximize its value and then sell it, unless it looks like that particular business will

continue to grow exponentially. In New Orleans, the property "is at least a five-year hold, probably more," Geller said. "It will take a couple of years to rebuild it. Once we stabilize, we'll either sell, joint venture it or keep it, but we'll seriously eval-

Typically, Strategic wants a hotel to have leisure, meeting and business travel, and Geller has serious concerns about whether a hobbled New Orleans can generate the business-travel component.

'And the population issue is scary," he said. "It's very difficult for us to work with a small population base.'

Still, his push to rejuvenate the neighborhood has piqued interest among city officials.

While the city is too strapped to offer financial assistance to private investors, Mayor Nagin has asked state and federal officials to consider incentives that would spur economic development, said Sally Forman, his spokeswoman.

'We desperately need it," she

And while the city will reserve judgment on Strategic's initiative until a plan is presented, it welcomes the effort.

'This company has a proven track record in this city, and if they want to reinvest in our community, we see that as a welcome sign, and one that would be embraced readily," Forman said. "The mayor looks forward to seeing this project."

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SMITH:

No one kil hurt at ho

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three months it provi ating space and mea mayor, fire and polic nel, the 911 service, the utility, the National G Federal Emergency ment Agency and t Corps of Engineers. A turned over his living to Nagin.

"I'm so proud that lutely, positively, had ties, no one was injure is dead," said Smith, 4 gan working for Chic Hyatt Hotels & Resor years ago, busing tal working on his back gree in business admi at Winston-Salem Sta sity in North Carolina

Some refused to leave

That lack of casual no means guaranteed Though hotel staff guests from 900 gues

the eve of the hurrica al, some 37 guests go-that is until the gan blasting out wind early morning hours

Then, "There was y screaming over the atrium. People were s

'Help, help,' " recalled Hotel security and ers charged up the st 27-story hotel to rescu

"This is the last should've had to wo but if they stayed in the they'd probably be said. "For the next days, I never let them

Later in the week, other scary moments

When authorities they planned to evacu perdome by march through the second walkway running th hotel, he initially bal

"I was afraid for m ple and my guests," they gave me 150 Guards[men], armed and they formed through the second f

Staff rose to challend

Still, Forman said, easily could have de chaos without the l Hyatt staff. They wo side the military, pro ter, snacks and cha most vulnerable, pregnant women, ch

Also that week, wh escorted convoy carr sions from other Hy ties made it to the l wee hours of Sept. 1 fears the four truck looted before they c loaded, Forman said

"Hotel staff got or address system and need every capable ing to help now,' "They had hundred form a human chai truck to the third flo the goods hand to ha

Smith's pride in t of the crisis is tem acute awareness of crises faced by mar tel's 400 employees. is providing financ placement assistance coping with the dea ones, the destructi homes and the se their families.

"These guys ha and it's eating me Smith, who this mo